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SUBJECT: GREECE: ND CONGRESS KEEPS 'EM GUESSING ON ELECTIONS

¶1. (SBU) SUMMARY: A carefully orchestrated seventh New Democracy party congress ended Sunday without setting a date for the next elections, though some pundits hinted no later than November. PM Karamanlis defended his administration's record and promised to stick to the path of government reform. Opposition figures decried the comparatively large spendiQ on the lavish proceedings. END SUMMARY.

ORCHESTRATED UNITY -----

¶2. (SBU) The seventh New Democracy (ND) party congress, which took place July 6-8, was attended by 4,600 delegates from all parts of Greece who maintained an atmosphere of carefully orchestrated party unity. The immediate purpose of the congress was the election of 150 members for the party's 500-member Central Committee, which will elect a new party Political Council and endorse the incumbent party secretary at a later stage.

¶3. (SBU) Congress atmospherics were calm and delegates and observers alike spoke of Karamanlis's undisputed control of the party. The organizing committee carefully directed each phase, employing state-of-the-art technology reinforced by digital-age stage management -- including giant flat-panel displays and stereo surround-sound systems. All this did not come cheaply, George Karatzaferis, the leader of the small, ultra-nationalist LAOS party caustically noted on the evening news. Karatzaferis estimated that money spent for the ND congress could have bought fifteen new CT scanners for provincial hospitals, prompting the news anchorman to chastise him for "populism."

KARAMANLIS DEFINES PRIORITIES -----

¶4. (SBU) PM Karamanlis delivered opening and closing addresses, emphasizing the record of his administration and repeatedly assuring his listeners that ND's reform effort "won't be thrown back" by the opposition. The PM defined reform priorities as: amending the Constitution, particularly Article 16, which disallows the operation of private universities in Greece; the revamping of the social security system, already a target of EU warnings; completing key changes in the state-controlled education system; and rapid implementation of plans to overhaul government bureaucracy. Karamanlis avoided completely any references to the main opposition PASOK party and its leader, George Papandreou, but made several references to the political forces of "yesterday" that are fighting to keep Greece off the track of growthrians, and select party faithful an opportunity to

speak on a range of political and ideological questions which, pundits observed, lie at the heart of the debate about ND's future direction. While Karamanlis reiterated that ND was "the party of the (political) Center," other speakers, including such popular ministers as FM Dora Bakoyannis and Health Minister Dimitris Avramopoulos, suggested the party aim for a "revolution in values" and "social liberalism." Former FM Antonis Samaras -- who left ND in 1993 to form his own, now defunct, party and in the process toppled the ND administration of PM Mitsotakis -- made an "impressive comeback," reports said, addressing the congress on the need to make the Greek middle class the "locomotive" of development. Overall, pro-ND news stories said, the congress re-affirmed "the strong bonds" uniting ND leadership and rank-and-file and demonstrated that the party is "fighting trim."

15. (SBU) COMMENT: Party congresses in Greece rarely offer occasion for political leaders to deliver radical initiatives or other surprises. PM Karamanlis did not digress from this well-trodden path, limiting himself to a safe recap of government policies and an optimistic look into the future. Political correspondents and television pundits, however, were listening closely to the PM's words in the hope of a hint about early elections. Karamanlis did not oblige, but his media listeners nevertheless concluded, after dissecting his closing remarks, that the elections will come by November, at the latest.

COUNTRYMAN